

ADMINISTRATIVE - INTERNAL USE ONLY

Approved For Release 2000/08/29 : CIA-RDP79-01577A000100010002-8

22 NOV 1972

MEMORANDUM FOR: Executive Director-Comptroller
THROUGH : Deputy Director for Support
SUBJECT : Request for Approval of Purchase of
Leased UNIVAC 9300 Equipment
REFERENCE : OC-M72-435, dated 29 June 1972

Executive Registry

1. This memorandum submits a recommendation for your approval; this recommendation is contained in paragraph 4.

2. It now appears certain that our DATEX program, approved in the reference, will encounter a moderate delay, with activation early in 1974. Consequently, it will be necessary to retain the two leased UNIVAC 9300 systems to bridge the gap between our present system and our planned system for a longer period of time than had been anticipated.

3. GSA's contractual arrangement with UNIVAC makes it cost effective to consider converting to purchase after about four years of lease. Having had the units for over four years, the purchase option price is being reduced by less than \$700 for each additional month that we lease, whereas the leased price continues at over \$4,000 per month. Our delay in obtaining a DATEX switch now makes it more economical to buy these UNIVAC 9300's than it would be to continue to lease them. Because of the lease purchase option available on the basic 9300 systems, it will prove cost effective to purchase these units for about \$53,000 which approximates the cost of 13 months of lease. The peripheral equipment and maintenance contract will be extended for an appropriate period which is estimated to be 18 months. Funds for the purchase are available in FY-73.

4. Government use of the UNIVAC 9300's after the 18 month period has been considered. We are currently providing OSP remote access to the OCS computer center

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MEMORANDUM FOR: Executive Director-Comptroller
PAGE 2

and we plan to continue this access after the installation of the DATEX system. One of the UNIVAC 9300's, for example, could be used for this purpose. The second unit can either be used to replace the UNIVAC 9200 at [REDACTED] Building or it could be used to replace an on-rent 9300 at NPIC, or at one of the [REDACTED] project sites where new UNIVAC 9300's have been leased during the past two years. This will result in a direct cost savings to the Agency in one case and a cost savings to the Government in general in the other case.

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5. It is requested that authority be granted to purchase the two UNIVAC 9300's at a cost not to exceed \$53,000.

for
[REDACTED]
Director of Communications

STATINTL

CONCURRENCE:

STATINTL

[REDACTED]
Director of Computer Services

28 Nov 1972
Date

STATINTL

[REDACTED]
Chairman, Information Processing Board

12/22/72
Date

STATINTL

[REDACTED]
Deputy Director for Support

1 Dec 1972
Date

THE RECOMMENDATION IN PARAGRAPH 4 IS APPROVED:

STATINTL

[REDACTED]
Executive Director-Comptroller

26 Dec 72
Date

MEMORANDUM FOR: Executive Director-Comptroller

PAGE 3

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